TAUNG GOLD INTERNATIONAL LIMITED
壇金礦業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

RESULTS

The board of directors (the "**Board**") of Taung Gold International Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2015 together with the comparative figures for the year ended 31 March 2014 as follows:-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
Revenue	*4*	**–**	4,156
Cost of sales		**–**	(4,114)
Gross profit		**–**	42
Other income	*6*	**45,748**	53,123
Other gains and losses	*7*	**(8,470)**	(28)
Fair value change on put options		**23,640**	17,345
Fair value change on gross obligation under put options		**(56,971)**	106,988
Administrative and operating expenses		**(33,598)**	(39,046)
Impairment loss on exploration assets		**(231,680)**	(1,117,388)
Gain on disposal of a subsidiary and an associate		**30,253**	–
Reversal of impairment loss (impairment loss) on loans to shareholders of a subsidiary		**46,089**	(46,195)
Share of results of associates		**(15,539)**	1,581
Finance costs	*8*	**(51)**	(1)

* *For identification purpose only*

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Loss before taxation		**(200,579)**	(1,023,579)
Income tax expense	*9*	**–**	–
Loss for the year	*10*	**(200,579)**	(1,023,579)
Other comprehensive expense			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		**(111,519)**	(130,903)
Total comprehensive expense for the year		**(312,098)**	(1,154,482)
Loss for the year attributable to:			
Owners of the Company		**(110,730)**	(726,863)
Non-controlling interests		**(89,849)**	(296,716)
		(200,579)	(1,023,579)
Total comprehensive expense attributable to:			
Owners of the Company		**(187,588)**	(817,081)
Non-controlling interests		**(124,510)**	(337,401)
		(312,098)	(1,154,482)
Loss per share			
Basic (HK cents)	*11*	**(0.99)**	(6.58)
Diluted (HK cents)	*11*	**(0.99)**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**3,583**	2,878
Exploration assets	12	**3,664,236**	3,925,156
Interests in associates	13	**18,514**	34,053
Amount due from an associate		**29,287**	29,287
Available-for-sale investment		**50,007**	–
Loans to shareholders of a subsidiary		**296,549**	252,984
Deposits for rehabilitation		**830**	1,000
Deposits for acquisition of investments	14	**30,000**	153,000
Pledged bank deposits		**2,401**	2,841
Other deposits		**–**	371
		4,095,407	4,401,570
Current assets			
Inventories		**–**	8,470
Other receivables and other deposits		**17,706**	20,793
Deposits for acquisition of investments	14	**103,000**	–
Bank balances and cash		**95,611**	129,863
		216,317	159,126
Assets classified as held for sale		**–**	423
		216,317	159,549
Current liabilities			
Other payables and accruals		**5,739**	14,996
Derivative financial instruments – put options		**–**	23,640
Gross obligation under put options		**370,785**	256,771
		376,524	295,407
Net current liabilities		**(160,207)**	(135,858)
Total assets less current liabilities		**3,935,200**	4,265,712
Capital and reserves			
Share capital		**124,429**	121,799
Reserves		**2,621,775**	2,830,407
Equity attributable to owners of the Company		**2,746,204**	2,952,206
Non-controlling interests		**1,188,996**	1,313,506
Total equity		**3,935,200**	4,265,712

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL

The Company is incorporated in Bermuda as an exempted company and registered with limited liability under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and Unit 1901, 19/F, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are investment holding, trading of mineral and exploration, development and mining of gold and associated minerals.

The functional currency of the Company is United States dollars ("**USD**"). For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong dollars ("**HK$**") as the shares of the Company are listed on the Stock Exchange.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 and 2014, the Group is in net current liabilities position. The main components of current liabilities are gross obligation under put options of HK$370,785,000 (2014: HK$256,771,000) and derivative financial instruments – put options of HK$23,640,000 as at 31 March 2014.

The directors of the Company are of the opinion that the Group has sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future, taking into consideration that the exercise of the put options will not result in net outflow of cash from the Group. Upon the issuance of the put options, the Group has a commitment to settle the contractual obligation by issuing a maximum of 2,392,161,765 (2014: 2,139,757,635) of the Company's shares. Other than that, there were no other financial obligations.

Also, the directors of the Company have given careful consideration to the future liquidity of the Group. In view of that, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for foreseeable future and continue in operational existence. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

In the current year, the Group has applied the following amendments to HKFRSs and a new interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC)-INT 21	Levies

The application of these amendments to HKFRSs and the new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[5]
HKFRS 15	Revenue from contracts with customers[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
Amendments to HKAS 1	Disclosure initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 27	Equity method in separate financial statements[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[3]

[1] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Effective for annual periods beginning on or after 1 January 2016
[4] Effective for annual periods beginning on or after 1 January 2017
[5] Effective for annual periods beginning on or after 1 January 2018

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in September 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("**FVTOCI**") measurement category for certain simple debt instruments.

All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have impacts on the Group's financial assets and financial liabilities. However, in the opinion of the directors, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 “Revenue from contracts with customers”

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company will assess the impact on the application of HKFRS 15. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Except as disclosed above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

4. REVENUE

Revenue represented the net amounts received or receivable from sale of minerals in the normal course of business, net of discounts and sales related taxes.

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided.

The Group’s operating and reportable segments under HKFRS 8 are as follows:

(a) gold exploration and development in South Africa; and

(b) trading of minerals.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the year ended 31 March 2015

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
REVENUE			
External sales	**–**	**–**	**–**
Segment loss	**(161,819)**	**(8,470)**	**(170,289)**
Gain on disposal of a subsidiary and an associate			**30,253**
Unallocated corporate expenses			**(11,673)**
Fair value change on put options			**23,640**
Fair value change on gross obligation under put options			**(56,971)**
Share of results of associates			**(15,539)**
Loss before taxation			**(200,579)**

For the year ended 31 March 2014

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
REVENUE			
External sales	–	4,156	4,156
Segment (loss) profit	(1,136,495)	24	(1,136,471)
Other income			1,661
Other gains and losses			(21)
Unallocated corporate expenses			(14,662)
Fair value change on put options			17,345
Fair value change on gross obligation under put options			106,988
Share of results of associates			1,581
Loss before taxation			(1,023,579)

Segment (loss) profit during the years ended 31 March 2015 and 31 March 2014 represents (loss) profit from each segment without allocation of certain other income, other gains and losses, administration and operating expenses, gain on disposal of a subsidiary and an associate, fair value change on gross obligation under put options, fair value change on put options and share of results of associates. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

At 31 March 2015

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
Assets			
Segment assets	**4,051,120**	**111**	**4,051,231**
Property, plant and equipment			**2,141**
Interests in associates			**18,514**
Deposits for acquisition of investments			**133,000**
Other receivables and other deposits			**2,009**
Available-for-sale investment			**50,007**
Amount due from an associate			**29,287**
Bank balances and cash			**25,535**
Consolidated assets			**4,311,724**
Liabilities			
Segment liabilities	**2,414**	**–**	**2,414**
Other payables and accruals			**3,325**
Gross obligation under put options			**370,785**
Consolidated liabilities			**376,524**

At 31 March 2014

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
Assets			
Segment assets	4,330,073	8,582	4,338,655
Property, plant and equipment			730
Interests in associates			34,053
Deposits for acquisition of investments			153,000
Other receivables			1,409
Other deposits			371
Amount due from an associate			29,287
Bank balances and cash			3,614
Consolidated assets			4,561,119
Liabilities			
Segment liabilities	8,028	–	8,028
Other payables and accruals			6,968
Derivative financial instruments – put options			23,640
Gross obligation under put options			256,771
Consolidated liabilities			295,407

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments, other than certain property, plant and equipment, available-for-sale investment, interests in associates, deposits for acquisition of investments, certain other receivables and other deposits, amount due from an associate and certain bank balances and cash.
- all liabilities are allocated to operating and reportable segments other than certain other payables and accruals, derivative financial instruments – put options and gross obligation under put options.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31 March 2015

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Addition to property, plant and equipment	**53**	**–**	**1,860**	**1,913**
Addition in exploration assets	**25,492**	**–**	**–**	**25,492**
Depreciation of property, plant and equipment	**502**	**–**	**449**	**951**
Impairment loss on exploration assets	**231,680**	**–**	**–**	**231,680**
Reversal of impairment loss on loans to shareholders of a subsidiary	**(46,089)**	**–**	**–**	**(46,089)**
Other interest expense	**1**	**–**	**50**	**51**
Allowance for inventories	**–**	**8,470**	**–**	**8,470**
Imputed interest income on loan to a shareholder of a subsidiary	**(39,342)**	**–**	**–**	**(39,342)**
Interest income on bank deposits	**(6,300)**	**–**	**–**	**(6,300)**

For the year ended 31 March 2014

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Addition to property, plant and equipment	110	–	4	114
Addition in exploration assets	34,476	–	–	34,476
Depreciation of property, plant and equipment	843	–	571	1,414
Impairment loss on exploration assets	1,117,388	–	–	1,117,388
Loss on disposal of property, plant and equipment	7	–	21	28
Impairment loss on loans to shareholders of a subsidiary	46,195	–	–	46,195
Other interest expense	1	–	–	1
Imputed interest income on loan to a shareholder of a subsidiary	(42,537)	–	–	(42,537)
Interest income on promissory notes	–	–	(1,661)	(1,661)
Interest income on bank deposits	(8,906)	–	–	(8,906)

Revenue from major products and services

The Group's revenue for the year ended 31 March 2014 was all from trading of minerals.

Geographical information

The Group's trading of minerals operation is located in Hong Kong, while its gold exploration and development operations are in South Africa and denominated in South African Rand ("**ZAR**").

Based on the shipping or delivery documents of each sales transactions, the Group's revenue by location of its external customer for the year ended 31 March 2014 was in the People's Republic of China (the "**PRC**").

As at 31 March 2015, non-current assets of the Group (excluding interests in associates, deposits for rehabilitation, deposits for acquisition of investments, amount due from an associate, available-for-sale investment, loans to shareholders of a subsidiary, other deposits and pledged bank deposits) amounting to HK$3,665,678,000 (2014: HK$3,927,304,000) and HK$2,141,000 (2014: HK$730,000) were located in South Africa and Hong Kong respectively.

Information about major customer

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**–**	4,156

All revenue was from trading of minerals.

6. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Imputed interest income on loan to a shareholder of a subsidiary	**39,342**	42,537
Interest income on promissory notes	**–**	1,661
Interest income on bank deposits	**6,300**	8,906
Others	**106**	19
	45,748	53,123

7. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Loss on disposal of property, plant and equipment	**–**	(28)
Allowance for inventories	**(8,470)**	–
	(8,470)	(28)

8. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Other interest expense	**51**	1

9. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the subsidiaries incorporated in Hong Kong have no assessable profits for both years.

Under South African tax law, the corporate tax rate is 28% for both years on taxable profits of South African subsidiaries. No provision for taxation has been made as the subsidiaries in South Africa have no assessable profits for both years.

10. LOSS FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**2,805**	3,257
Cost of inventories recognised as an expense	**–**	4,114
Depreciation of property, plant and equipment	**951**	1,414
Operating lease rentals in respect of rented premises	**1,912**	2,375
Net exchange loss	**173**	138
Staff costs		
– Salaries and other benefits	**23,704**	34,781
– Contributions to retirement benefits schemes	**110**	60
	23,814	34,841
Less: Amount capitalised in exploration assets	**(6,783)**	(8,038)
	17,031	26,803

11. LOSS PER SHARE

The calculation of the basic and diluted (2014: basic) loss per share attributable to owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted (2014: basic) loss per share, being loss for the year attributable to owners of the Company	**(110,730)**	(726,863)

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (2014: basic) loss per share	**11,172,268**	11,049,775

The incremental shares from assumed exercise of warrants, put options and share options issued by a subsidiary are excluded in calculating the diluted loss per share for the year ended 31 March 2015 because they are antidilutive in calculating the diluted loss per share.

No diluted loss per share for the year ended 31 March 2014 is presented as the Company's shares were suspended for trading throughout that year.

12. EXPLORATION ASSETS

	HK$'000
At 1 April 2013	5,070,000
Addition	34,476
Impairment loss recognised in profit or loss	(1,117,388)
Exchange adjustment	(61,932)
At 31 March 2014	3,925,156
Addition	25,492
Transferred from assets classified as held for sale	423
Impairment loss recognised in profit or loss	(231,680)
Exchange adjustment	(55,155)
At 31 March 2015	3,664,236

The exploration assets principally represented the mining right and prospecting right for the gold mining projects in South Africa, namely, the Evander Project and the Jeanette Project. A mining right for Evander Project is valid for 26 years commencing from 18 July 2012 until 28 April 2038, while prospecting right for Jeanette Project is valid for 5 years commencing from 29 June 2010. The Group completed the consolidation of all the prospecting rights into a single prospecting right and the pre-feasibility study. The Group is in the process of applying for a mining right of Jeanette Project for 30 years at the date of issuance of these consolidated financial statements. In the opinion of the directors, the renewal and application for mining rights are without difficulties so long as the applicant complies with the requirements as set out in the Mineral and Petroleum Resources Development Act of South Africa.

In the preparation of the consolidated financial statements for the years ended 31 March 2015 and 2014, the directors of the Company have assessed the recoverable amount of the exploration assets relating to the Jeanette Project as at 31 March 2015 and 2014 based on estimations of its fair value less costs of disposal.

Based on fair value less costs of disposal estimation as at 31 March 2015, the carrying amount of the exploration assets relating to the Jeanette Project exceeds its recoverable amount due to decreasing gold price and depreciation of ZAR. An impairment loss of HK$231,680,000 (2014: HK$1,111,439,000) was recognised in profit or loss during the year ended 31 March 2015 accordingly.

As at 31 March 2014 and 2015, the directors of the Company were of the opinion that there was no impairment loss for the mining right of the Evander Project.

Other than the Evander Project and the Jeanette Project, TGL and its subsidiaries also have several mining rights with smaller scales. The management carried out assessments regularly on the profitability for these small scale projects. As the Group increasingly focused on the Evander Project and the Jeanette Project in South Africa, the directors determined not to pursue certain exploration projects in South Africa after reviewing the latest available information of these projects and accordingly, a full impairment loss on these projects of HK$5,949,000 was recognised in profit or loss during the year ended 31 March 2014.

13. INTERESTS IN ASSOCIATES

	2015	2014
	HK$'000	*HK$'000*
Cost of investments in associates – unlisted	**27,905**	118,133
Share of post-acquisition (loss) profits and other comprehensive (expense) income	**(9,391)**	6,148
Less: Impairment loss recognised in profit or loss	**–**	(90,228)
	18,514	34,053

On 25 May 2012, the Group entered into a sale and purchase agreement with a third party ("**Vendor A**") pursuant to which the Group acquired 49% equity interest in H & M Natural Resources Limited ("**H & M**") at a total consideration of HK$90,228,000. The principal asset of H & M is the mine operating cooperation agreement ("**Nickel Co-op Agreement**") assigned to H & M by Vendor A. Pursuant to the Nickel Co-op Agreement, H & M may carry out the Nickel mining activities in Kolaka, Indonesia. However, it was subsequently found that the contractual arrangements provided under the Nickel Co-op Agreement were not in line with the requirements and restrictions under the Law of the Republic of Indonesia No. 4 of 2009 concerning Mineral and Coal Mining and Government Regulation No. 23 of 2010 concerning Implementation of Mineral and Coal Mining Business Activities as amended by the Government Regulation No. 24 of 2012 and accordingly, based on the legal advice of Indonesian legal counsel the Group sought, H & M could not carry out the Nickel mining activities without breaching local laws and regulations. As a result, an impairment loss of HK$90,228,000 was recognised in profit or loss during the year ended 31 March 2013.

On 17 March 2014, the Group entered into another sale and purchase agreement with Vendor A who agreed to re-acquire all the 49% equity interest in H & M from the Group at a consideration of HK$90,228,000 of which HK$15,228,000 is to be settled by cash and HK$75,000,000 is settled by promissory notes to be issued by Vendor A.

During the year ended 31 March 2015, the disposal was completed and a cash amount of HK$15,228,000 and promissory notes of HK$75,000,000 were received. The management considered the promissory notes may not be settled, thus the promissory notes were fully impaired as at 31 March 2015. Accordingly, a gain on disposal of an associate of HK$15,228,000 was recognised in profit or loss.

14. DEPOSITS FOR ACQUISITION OF INVESTMENTS

(a) Acquisition of Jun Mao Enterprises Limited ("Jun Mao")

On 22 April 2013 and 24 April 2013, the Group entered into a sale and purchase agreement and a supplementary agreement, respectively, with an individual third party ("**Vendor B**") pursuant to which the Group conditionally agreed to acquire 100% equity interest in Jun Mao at a total consideration of HK$93,000,000 of which HK$8,000,000 was settled by cash and HK$85,000,000 was settled by two promissory notes issued by Hua Xiong Development Limited ("**Hua Xiong**") to the Group in prior years. Full consideration was paid by the Group as at 31 March 2014.

As at 31 March 2014, Jun Mao was in a process of acquiring 10% equity interest in 貴州文真鋁業有限公司 ("**Wen Zhen Lu Ye**"), a company established in the PRC. Wen Zhen Lu Ye has a business of bauxite based materials processing and will further acquire a mining right from an independent third party which can conduct bauxite mining activities in the designated mining area in Guizhou, the PRC. The acquisition of Jun Mao was conditional upon the acquisition of 10% equity interest in Wen Zhen Lu Ye and the aforesaid mining right.

On 28 February 2015, the Group entered into another supplementary agreement with Vendor B to amend the terms and consideration for the acquisition of Jun Mao, pursuant to which the Group agreed to acquire 100% equity interest in Jun Mao and its 15% equity interest in Wen Zhen Lu Ye at a total consideration of HK$50,000,000, where Wen Zhen Lu Ye has not yet acquired the aforesaid mining right. Accordingly, the acquisition in Jun Mao and Wen Zhen Lu Ye was completed during the year ended 31 March 2015.

The remaining deposit of HK$43,000,000 will be refunded to the Group, thus the refundable deposit of HK$43,000,000 was reclassified as a current asset as at 31 March 2015. Subsequent to the end of the reporting period, HK$43,000,000 was fully settled before the date of approval for issuance of the consolidated financial statements.

(b) Acquisition of Wealthy Peace Holdings Limited ("Wealthy Peace")

On 23 April 2013 and 25 April 2013, the Group entered into a sale and purchase agreement and a supplementary agreement, respectively, with a third party, a company incorporated in BVI, pursuant to which the Group conditionally agreed to acquire 35% equity interest in Wealthy Peace at a total consideration of HK$60,000,000 of which HK$17,500,000 was settled by cash and HK$42,500,000 was settled by a promissory note issued by Hua Xiong to the Group in prior years. Full consideration was paid by the Group as at 31 March 2014.

Wealthy Peace is in the process of acquiring the 100% equity interest in 貴州天啟源燃氣投資有限公司 ("**Tian Qi Yuan Ran Qi**"), a company established in the PRC, which has 97% equity interest in the operations of liquefied natural gas storage and filling stations projects in Guizhou, the PRC. The acquisition of Wealthy Peace is conditional upon Wealthy Peace completing the acquisition of Tian Qi Yuan Ran Qi.

During the year ended 31 March 2015, the acquisition of Tian Qi Yuan Ran Qi by Wealthy Peace was terminated. Pursuant to the agreements, the deposit of HK$60,000,000 was to be refunded to the Group upon termination, thus the refundable deposit of HK$60,000,000 was reclassified as a current asset as at 31 March 2015. Subsequent to the end of the reporting period, HK$60,000,000 was settled before the date of approval for issuance of the consolidated financial statements.

(c) Acquisition of Glory Fortress Aluminium Limited ("Glory Fortress")

On 15 August 2014, the Group entered into a sale and purchase agreement with a third party, a company incorporated in BVI, pursuant to which the Group conditionally agreed to acquire 49% equity interest in Glory Fortress at a total consideration of HK$51,400,000 of which HK$30,000,000 was settled by cash and HK$21,400,000 will be settled by a promissory note to be issued by the Group. A deposit of HK$30,000,000 was paid by the Group at 31 March 2015.

Glory Fortress owns 100% equity interest in 韶關金山鋁業有限公司, a company established in the PRC, which has an industrial land and a wood pellet plant located in Shaoguan, the PRC. The acquisition of Glory Fortress has not yet been completed up to the date of approval for issuance of the consolidated financial statements as the due diligence on Glory Fortress and its subsidiaries is still in progress.

The deposits for acquisition of investments are in respect of:

	2015	2014
	HK$'000	*HK$'000*
Jun Mao	**43,000**	93,000
Wealthy Peace	**60,000**	60,000
Glory Fortress	**30,000**	–
	133,000	153,000

Shown in the consolidated financial statements as:

Current assets	**103,000**	–
Non-current assets	**30,000**	153,000
	133,000	153,000

15. ACQUISITION OF SUBSIDIARIES

As disclosed in note 14(a), the Group entered into a sale and purchase and supplementary agreements, with Vendor B pursuant to which the Group agreed to acquire 100% equity interest in Jun Mao at a total consideration of HK$50,000,000. The principal activity of Jun Mao is investment holding. The principal assets of Jun Mao and its subsidiaries is 15% equity interest in Wen Zhen Lu Ye, a company established in the PRC, the acquisition was accounted for as acquisition of assets. The acquisition was completed on 31 March 2015.

The net assets acquired in the transaction are as follows:

	HK$'000
Net assets acquired:	
Available-for-sale investment	50,007
Prepayments, deposits and other receivables	5
Bank and cash balances	12
Accruals and other payables	(24)
	50,000
Total consideration satisfied by:	
Deposits for acquisition of investments paid in 2013	50,000
Net cash inflow arising on acquisition:	
Bank and cash acquired	12

16. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**1,357**	2,623
In the second to fifth year inclusive	**–**	329
	1,357	2,952

Operating lease payments represent rentals payable by the Group for office premises. Leases are negotiated and rentals are fixed for a lease term of two to three years.

17. EVENT AFTER THE REPORTING PERIOD

On 25 May 2015, 6,737,312 share options granted by Taung Gold (Pty) Limited ("**TGL**") were exercised by its holders of options ("**TG Optionholders**"). Following the exercise of share options, 6,227,312 put options granted by the Company to the TG Optionholders were exercised on 10 June 2015. Upon the exercise of these put options, 332,371,602 ordinary shares of the Company were issued to TG Optionholders through Gold Commercial Services Limited at HK$0.158 per share, being the market price of the Company's share on date of issue. The Company's shareholding on TGL's shares has increased from 68.92% to 69.57% upon the exercise of put options. The directors of the Company are in progress in assessing the financial impact to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group is principally engaged in investment holding, trading of mineral and exploration, development and mining of gold and associated minerals in Republic of South Africa ("South Africa").

During the financial year 2014/2015, the Group recorded a loss attributable to owners of the Company of approximately HK$110,730,000 or loss of HK0.99 cents per share basic and diluted, compared with a loss attributable to owners of the Company for the year 2013/2014 of approximately HK$726,863,000 or loss of HK6.58 cents per share basic.

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2015 (2014: Nil).

BUSINESS REVIEW

For the year ended 31 March 2015, the Group had no turnover (2014: HK$4,156,000). The Group recorded a net loss attributable to equity holders of approximately HK$110,730,000 compared with a net loss attributable to equity holders of approximately HK$726,863,000 for the last financial year. The other comprehensive expense of approximately HK$111,519,000 (2014: HK$130,903,000) mainly arose from the exchange difference on the translation of South African operations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group had no outstanding bank borrowings (2014: Nil) and no banking facilities (2014: Nil).

The Group's gearing ratio as at 31 March 2015 was zero (2014: zero), calculated based on the Group's total zero borrowings (2014: zero) over the Group's total assets of approximately HK$4,311,724,000 (2014: HK$4,561,119,000).

As at 31 March 2015, the balance of cash and cash equivalents of the Group was approximately HK$95,611,000 (2014: HK$129,863,000) and were mainly denominated in Hong Kong Dollars and South African Rand. The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship so as to minimize risks to its business.

FINANCING

On 13 October 2014, the Company announced that an aggregate of 263,000,000 shares of HK$0.01 each in the capital of the Company were placed to not fewer than six placees, at the placing price of HK$0.152 per placing share, upon completion of the placing agreement dated 26 September 2015 entered into between the Company and Pinestone Securities Limited as the placing agent. The net proceeds from the aforesaid placing amounted to approximately HK$38.63 million which were intended to be used for the working capital of the Group.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 March 2015, the Group operated mainly in the PRC and the Republic of South Africa, and the majority of the Group's transactions and balances were denominated in Hong Kong Dollars, Renminbi, United States Dollars and South African Rand. However, as the directors consider that the currency risk is not significant, the Group does not have a policy of hedging foreign currency.

Nevertheless, the Company's management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should this be deemed prudent.

OCCURRENCE OF IMPORTANT EVENTS AFFECTING THE GROUP

Trading in the shares of the Company was suspended at the request of the Company on 8 June 2012. Shareholders are referred to the subsequent announcements made by the Company regarding the Incident and, in particular, to the announcement of 29 April 2013 dealing with 1)the Settlement Agreement in relation to the Incident and 2) Change of Directors. Further announcements were made on 31 May 2013, 28 June 2013 and 29 July 2013 and on 6 August 2013, an announcement was made regarding entering of the Shareholders Agreement by a group of Shareholders, that effectively brought an acceptable conclusion to the Incident.

On 3 September 2013 the Company received a letter from the Stock Exchange of Hong Kong regarding the Company's resumption conditions and the Company made an announcement on 30 January 2014 detailing the results of the Internal Control Review that fulfilled the Internal Control Condition. The Results Condition was fulfilled through the publication of all the outstanding financial results on 30 April 2014, and trading of the shares of the Company has been resumed on The Stock Exchange of Hong Kong Limited since 2 May 2014.

REVIEW OF BUSINESS OPERATIONS

During the period under review the Group did not carry out any field exploration activities and its attention was focused on progressing the Bankable Feasibility Study ("**BFS**") for the Evander Project and the Pre-Feasibility Study ("**PFS**") for Jeanette Project. This work will culminate in the finalization and publication of these studies in the coming months. The Company has not conducted any mining or production activities during the reporting period.

The Evander Project

The Evander Project comprises the Six Shaft area and the Twistdraai area on the northeastern limb of the Witwatersrand Basin, Mpumalanga Province, South Africa. Evander Gold Mines Limited ("**EGM**") held the Mining Right No. 107/2010, of which mining right the Evander Project formed part. The Mining Right No. 107/2010 was registered in the name of Taung Gold Secunda (Pty) Limited ("**TGS**") in December 2013 and permits the mining of gold and associated minerals in the Six Shaft and Twistdraai area.

Project Description

The BFS for the project is targeting a Measured and Indicated Resource of 19.9 million tons of Kimberley Reef at an average gold grade of 8.47g/t (measured over a mining width of 112cm), containing 5.5 million ounces of gold. The pending completion of the study will herald a maiden Probable Reserve declaration for the project.

The project will involve the following activities to develop and bring the operation into production:

- Re-establishment of the existing surface area and provision of required infrastructure and services including; electrical power, water and water disposal;

- Dewatering and re-commissioning of the existing main shaft and ventilation shaft;

- Deepening of the existing main and ventilation shafts to their final depths;

- Development of the Kimberley Reef and the generation of ore reserves; and

- Construction of a metallurgical processing plant, smelter and tailings storage facility ("**TSF**").

A full Environmental Impact Assessment for the project is underway and, together with the BFS, will lead to subsequent amendment of the Mining Works Program and Environmental Authorization that form part of the Mining Right.

TGS has entered into Option Agreements with the holders of surface and mineral rights whereby TGS now has the right to acquire such rights for the purpose of establishing a TSF site.

TGS has also entered into a Heads of Agreement with EGM relating to the disposal of excess mine water into EGM's Leeuwpan evaporation facility and a full definitive agreement in this regard will be executed in the second quarter of the new financial year.

Eskom, the state owned electricity generation and distribution utility, has already completed a Budget Quotation for the initial supply of 20MVA of electrical power required for the first three years of project construction. The issuance by ESKOM of this 20MVA Budget Quotation indicates that the project is a part of its formal planning and scheduling process. The relevant agreements with ESKOM will be finalized in due course. The Budget Quotation for the final power supply of approximately 70MVA will be completed in the next two years.

A process of internal and external reviews of the BFS is being undertaken and will precede the publication of the study report.

Expenditure on the Evander Project for the year ended 31 March 2015 was as follows:

Consultants & Service providers	ZAR6.81m
Staffing	ZAR5.57m
Overheads	ZAR2.81m
Total	ZAR15.19m

The Jeanette Project

The Jeanette Project is located close to the town of Allanridge within the southwest margin of the Witwatersrand Basin, northeast of Welkom, in the Free State Province of South Africa.

Prospecting rights for the Jeanette Project

The Prospecting Right permits the exploration of gold ore, silver ore and uranium ore in the Jeanette area. The registration of Prospecting Right No. 144/2013 took place on 30 October 2013 and the Deed of Cession was registered at the MPTRO on 1 November 2013. TGFS, a wholly owned subsidiary of TGL, is now the registered holder of the Prospecting Right. Apart from the Prospecting Right, TGL has continued to consolidate its mineral rights holdings in and around its Jeanette Project area, including the farms Buitendachshoop 122, Weltevreden 59, Portion RE and LeClusa 70 from Free State Development and Investment Corporation Limited. These permits are contiguous to the Prospecting Right. The MMR has granted the relevant consent for the transfer of the prospecting rights over the Buitendachshoop and Weltevreden areas to TGL and the transfers are currently pending registration in TGFS's name with the MPTRO. The prospecting rights over the LeClusa licence area were registered in TGFS's name with the MPTRO on 18 April 2011. In addition, TGFS has been granted additional prospecting rights over the Bandon 345, Damplaats 361, Katbosch 358, Leeuwbosch 285 farms and also a portion of Weltevreden 59 farm, all being contiguous to the Jeanette Project.

TGFS submitted a Section 102 application on 4 March 2014 to consolidate the above permits into a single prospecting right using the Jeanette prospecting right (MPTRO 144/2013) as the base for such consolidation. Such consolidation has been completed and TGFS is applying for a mining right over the consolidated area. This application has been submitted on 19 June 2015.

Project Description

The PFS for the project is targeting a Measured and Indicated Resource of 11.5 million tons of Basal Reef at an average gold grade of 26.83g/t (measure over a reef channel width of 30cm), containing 9.9 million ounces of gold. The pending completion of the study will herald a maiden Probable Reserve declaration for the project.

The project will involve the following activities to develop and bring the operation into production:

- Establishment of surface facilities and provision of the required services;
- Dewatering and re-commissioning of the existing ventilation shaft;
- Sinking of a new shaft system for men, material and rock hoisting;
- Development of the Basal Reef and the generation of ore reserves; and
- Construction of a metallurgical processing plant, smelter and TSF.

Studies on the nature of the Basal Reef and the proximity of the overlying Khaki Shale show that a relatively high level of mechanized mining can be implemented; the level of mechanization being determined by the Basal Reef and Khaki Shale characteristics in different areas of the resource. Detailed studies have been conducted as a part of the PFS to properly assess geotechnical and other mining related aspects of such mechanization and the study will propose various extraction options, from which the most suitable approach will be selected to proceed to BFS level. The mechanization approach opens up the opportunity to mine the Basal Reef with significantly less waste dilution than would typically be associated with conventional mining methods and this has a significant positive impact in terms of increased head grade, reduced ore handling and hoisting requirements and, lower metallurgical processing costs.

Expenditure on the Jeanette Project for the year ended 31 March 2015 was as follows:

Consultants & Service providers	ZAR15.31m
Staffing	ZAR3.48m
Overheads	ZAR2.99m
Total	ZAR21.78m

FRAMEWORK AGREEMENT

On 23 October 2014 the Company entered into a framework agreement (the "Framework Agreement") with MCC International Incorporation Ltd. ("MCCI"), a wholly-owned subsidiary of Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1618)), pursuant to which the parties agreed to cooperate on an exclusive basis, and in accordance with the terms of the Framework Agreement, for a period of twelve months with the objective of entering into an Engineering, Procurement and Construction contract for the development of the Company's Evander No.6 Shaft Project in South Africa by MCC.

FUTURE PLANS FOR THE EVANDER PROJECT AND THE JEANETTE PROJECT

As at the date of this report, both the Evander Project and the Jeanette Project are at the exploration stage, which involves the completion of BFS and PFS for the projects, respectively.

The Company is considering a number of options with regards to the construction phase of the Evander Project and continues to review its financial position given prevailing uncertainty and volatility in global-financial and commodity markets. A decision regarding the commencement of the Jeanette BFS will be made upon conclusion of the PFS. TGL has also reviewed its remaining exploration projects in South Africa and will continue to dispose of those projects that do not meet its expectations, in order to reduce costs and ensure continued focus on the flagship projects at Evander and Jeanette.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance. Throughout the year ended 31 March 2015, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 March 2015.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "**Written Guidelines**") for securities transactions by the relevant employees, including the Directors, who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Written Guidelines by the relevant employees was noted by the Company.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions as set out in the Code of the Listing Rules. The audit committee comprises three independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group, and to review the Company's annual and interim reports.

The audit committee has reviewed the annual results of the Group for the year ended 31 March 2015.

OTHER BOARD COMMITTEES

Besides the Audit Committee, the Board has also established Remuneration Committee, Nomination Committee and Technical, Safety & Environment Committee as at 31 March 2015. Each Committee has its defined scope of duties and written terms of reference.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of shares or other listed securities of the Company or by any of its subsidiaries during the year.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk under "Latest Listed Companies Information" and on the website of the Company at www.taunggold.com under "Investors & media". The annual report of the Company containing all the information required by the Listing Rules will be published on the relevant websites in due course.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2015 as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board
Taung Gold International Limited
Cheung Pak Sum
Executive Director

Hong Kong, 30 June 2015

As at the date of this announcement, the Board comprises eight Directors. The Executive Directors are Mr. Li Hok Yin, Mr. Christiaan Rudolph de Wet de Bruin, Mr. Neil Andrew Herrick, Ms. Cheung Pak Sum and Mr. Igor Levental. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Walter Thomas Segsworth.